

# MARKET UPDATE

**30/01/2023**

## **Oil falls ahead of OPEC+, U.S. Federal Reserve meetings**

Oil prices fell on Monday, giving up earlier gains, as global producers this week will likely keep output unchanged during a meeting this week and investors are cautious ahead of a U.S. Federal Reserve meeting that may spur market volatility.

Brent crude futures fell 20 cents, or 0.2%, to \$86.46 a barrel by 0435 GMT while U.S. West Texas Intermediate crude was at \$79.57 a barrel, down 11 cents, or 0.1%.

Ministers from the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, known collectively as OPEC+, are unlikely to tweak their current oil output policy when they meet virtually on Feb. 1.

Still, an indication of a rise in crude exports from Russia's Baltic ports in early February caused Brent and WTI to post their first weekly loss in three last week.

## **Dollar seesaws ahead of busy central bank week**

The dollar distanced itself from an eight-month trough on Monday ahead of a slew of central bank meetings this week, though gains were capped by dovish repricing of the U.S. Federal Reserve's rate-hike expectations as compared to more hawkish counterparts.

The U.S. dollar index, which measures the greenback against a basket of currencies, rose 0.03% to 101.92, after having hit an eight-month low of 101.50 last week.

It was on track for a fourth consecutive monthly loss of more than 1.5%, pressured by expectations that the Fed was nearing the end of its rate-hike cycle and that interest rates would not have to rise as high as previously feared.

Sterling was up 0.04% at \$1.2405, while the euro rose 0.06% to \$1.0874.

Movement was subdued ahead of policy meetings from the Fed, the European Central Bank (ECB) and the Bank of England (BoE) later this week.

"We will range trade a little bit as the market tries to assess how the central banks behave... I think, for all three it's going to be more about what they say than what they do," said Rodrigo Catril, a currency strategist at National Australia Bank (OTC:NABZY) (NAB).



## Asia shares turn cagey as rate hikes, earnings loom

Asian shares turned cagey on Monday ahead of a week that is certain to see interest rates rise in Europe and the United States, along with U.S. jobs and wage data that may influence how much further they still have to go.

Earnings from a who's who of tech giants will also test the mettle of Wall Street bulls, who are looking to propel the Nasdaq to its best January since 2001.

Asia has been no slouch either as China's swift reopening bolsters the economic outlook, with MSCI's broadest index of Asia-Pacific shares outside Japan up 11% in January so far at a nine-month high.

The index was off 0.2% on Monday with markets mixed across the region. Japan's Nikkei went flat, while Taiwan jumped 3.1%.

The Nikkei newspaper reported Renault (EPA:RENA) was to lower its share holding in Nissan (OTC:NSANY) to 15%, while the latter would invest in Renault's EV business.

Chinese blue chips climbed 1.1% after returning from the holidays. Beijing reported Lunar New Year travel trips inside China surged 74% from last year, though that was still only half of pre-pandemic levels.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement